

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 15, 2002**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 15, 2002 commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Howard, Land, Nakanishi (arrived at 7:05), and Mayor Pennino

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the weekly calendar (filed).

C. TOPIC(S)

C-1 "Office Space Needs"

City Manager Flynn introduced the topic explaining that it is driven by the following issues:

- The new police station is being constructed;
- The old public safety building will be renovated and utilized for staff;
- The original lease on the annex building, in which the Finance Department operates, expired in August 2002 and the City is currently utilizing the building on a month to month lease basis;
- A number of health related complaints have been expressed by employees of the Finance Department, for which they attribute to environmental conditions of the annex building.

Public Works Director Prima recalled that Council previously directed staff to make arrangements to move Finance out of the annex building by spring 2003. He reported that the new police building should be completed by early 2004. It is planned that Fire Administration, Fire Station #1, Public Works, and Community Development will move to the old public safety building when the remodel has been completed in 2005-06. At that time City Hall would house the Finance Department, Human Resources, and Administration (i.e. the offices of the City Manager, City Attorney, and City Clerk). Mr. Prima stated that it is staff's goal not to have employee workstations in the basement of City Hall, and to that end, conference rooms, storage, and work rooms are planned for the area. The Information Systems Division would be moved to the Carnegie Forum basement. He stated that the County is currently considering the cost of having the court operate in the 6,000 square feet of space, which will be available on the west side of the second floor of the new police building. The former Sak's building adjacent to the annex has been leased by Envision Law Group for the public document repository related to the PCE/TCE investigation. The lease expires next year. There is additional space in the building, which would allow for six work stations.

Mr. Prima outlined six scenarios for the City's space needs as follows:

1. Move the Finance and Human Resources Departments to retail office space at the parking structure, Information Systems to the old Sak's building, and Community Development would expand into the vacated Human Resources office area in City Hall. He estimated the cost to add walls and a portable air conditioning unit to the Sak's building at \$75,000. A concrete floor and bathrooms would need to be installed at the retail office space in the parking structure.

2. Similar to scenario one, except Human Resources would be moved to trailers on the Civic Center campus.
3. Move the Finance Department into City Hall and relocate the Departments of Public Works and Community Development to retail office space at the parking structure. The copy and break rooms at City Hall would be moved to the basement and the vacant space used by Human Resources for an interview room and additional work space.
4. Move the Departments of Public Works and Community Development into temporary quarters off site and bring Finance and Information Systems into City Hall. He estimated the cost to accommodate this scenario at \$400,000. Possible off site locations include Lockeford Street between Stockton and Washington Streets; Roget Park; Hutchins Street Square; industrial property where the proposed new Electric Utility building is planned to be built; or the Fairmont Science building, which offers office space for lease at \$1.05 per square foot.
5. Move the Finance Department into City Hall and move Public Works Administration and Community Development into the annex building.
6. Clean the vents, attic, and office space area of the annex building to allay the concerns expressed by Finance Department staff.

Mr. Prima stated that an earlier suggestion to house the Finance Department in mobile offices in the Civic Center campus would impact the Veterans Plaza area and make the parking situation worse. He acknowledged that the 6,000 square feet of lease space in the new police building would accommodate the Finance Department; however, Mr. Prima indicated that a commitment had already been made to the County.

Council Member Land preferred that the 7,400 square feet of space at the north end of the parking structure be left open for lease.

Mayor Pro Tempore Hitchcock stated that the simplest thing to do would be to move Finance to a portable setting until the new police building is complete and old public safety building is remodeled.

Mr. Prima explained that the amount of room required to house the Finance Department in trailers would occupy all of the space behind the Carnegie Forum or take up an entire parking lot on the Civic Center campus. In addition the lease payments for trailers over a three- or four-year period would be as high as purchasing them and the cost for decking and utilities would be significant.

Council Member Nakanishi believed that the retail office space at the parking structure would be a good long-term location for the Finance Department due to the inexpensive cost to the City, ease of access, and availability of parking.

Mayor Pennino advocated the permanent location of the Finance Department on the first floor of City Hall.

In reference to scenario six, Mr. Prima stated that based on testing that has been done to date, staff believes that modifications to the HVAC system, as well as attic, air ducts, and office cleaning, can deal with the issues adequately. He estimated the cost at \$10,000.

City Attorney Hays explained that Proposition 65 has a low threshold reporting requirement, whereas the Occupational Safety and Health Administration has a high industrial standard. The California Department of Toxic Substances Control is trying to arrive at some standard that is between the two. He anticipated that a decision would be made in the next three months.

City Manager Flynn commented that the least expensive alternative is to clean areas of the annex building and not relocate departments. The second least costly alternative would be to switch locations of the Finance Department with Public Works Administration

and Community Development; however, he noted that there have been requests by some employees that the City have environmental studies done on the City Hall building as well.

Council Member Howard stated that it is not good planning to locate departments in the annex building due to the instability of a month to month lease.

Mayor Pro Tempore Hitchcock stated that if there are health issues caused by the environmental conditions in the annex then it should not be considered as an adequate location for any departments to work in. If cleaning it is a solution, then it should have already been done. If the Finance Department must relocate, the retail office space at the parking structure is a good location due to its accessibility and ease of parking. She did not see the necessity for moving other departments until the new police station is completed and the old public safety building is remodeled. If the 6,000 square feet of lease space at the new police building is needed for City departments, it should be used for that purpose rather than leasing it to the County.

Mayor Pennino concurred that the lease space in the new police building should be used for City departments if needed.

Mr. Prima reviewed the Cost Summary (filed).

Mayor Pro Tempore Hitchcock commented that she had initially thought today's Shirtsleeve Session would be on the topic of the General Fund and revenue concerns.

City Manager Flynn replied that discussion about the General Fund is tentatively scheduled for next Tuesday. Due to changes in the economy there is concern about sales tax revenue, and additionally there may be State reductions next year. He recalled that under similar circumstances ten years ago the City lost \$1.2 million in one year and \$1.5 million in another. The Lowe's shopping center has been delayed at least one year. Increased costs are associated with adding paramedics to the Fire Department. Medical insurance costs are expected to increase 26% this year and PERS will be increasing next year. Requests have recently been received by the City from the Downtown Lodi Business Partnership for an additional \$30,000; Lodi Adopt-A-Child for a \$100,000 loan; the Salvation Army for \$50,000; and an additional \$2,000 for the annual New Years Eve event. Currently the City is negotiating with two of the bargaining groups regarding compensation. In summary, he stated that there is a great deal of uncertainty in the future. According to figures he has been given, the General Fund is in a downward trend. A major concern is with Electric Utility. Eighteen months ago the Utility had \$25 million in cash reserves and now it has \$2 million, due to increased power costs.

In answer to Mayor Pennino, as an option to not relocate departments, Mr. Prima reported that cleaning the annex building attic and air ducts would cost less than \$6,000. The cost to utilize space at the old Sak's building is \$12,000, and modifications needed at City Hall are anticipated to cost \$40,000.

Mr. Flynn added that the employees of the Finance Department have stated that there is dust build up in the annex building and have asked that it be cleaned.

PUBLIC COMMENTS:

- Nancy Schmer, Finance Department Field Services Supervisor, asked Council to implement scenario one, or scenario two as a second option. She believed either of them to be the most time efficient in moving the Finance Department employees out of the annex building. She stated that the health concerns of the employees should be the focus, and the space needs of other departments should not be considered as part of the discussion on this matter. In reference to scenario six, Ms. Schmer asked that if the cleaning of the annex building is to be pursued, that it be done either on a weekend or during non-working hours. She reported that according to her count there are 29 staff members currently working on the first floor of City Hall. In the annex building (excluding IS staff) there are 35 employees. She questioned the logic

Continued October 15, 2002

of moving 35 employees into a space that 29 people are now complaining is too small to work in.

In reply to Mayor Pro Tempore Hitchcock, Ms. Schmer stated that she is open to the idea of cleaning the annex building as a possible solution. She reported that eight years ago it was known that pigeon droppings were in the attic space. In addition, a number of years ago results from a study indicated that there was suspect growth on the back wall and that ceiling tiles damaged from water should be removed. These issues have never been resolved.

Finance Director McAthie objected to the intimation by others that the employees of the Finance Department are excessively and baselessly complaining about conditions of the annex building, which appeared to be evident by the offer to trade spaces with other departments. Ailments such as asthma can be exacerbated by certain building conditions. She concurred with Ms. Schmer that any attempts to clean the building should be done after hours. She favored locating the Finance Department in the retail office space at the parking structure, noting that inadequate parking space has been a problem at their current location and was when the Department was located in City Hall. Her main concern was to do something to alleviate some of the symptoms that staff has, so that they can get back to concentrating on their work instead of health issues.

Council Member Howard emphasized the importance of considering where final placements of departments are planned and to make relocation suggestions based on those long-term placements.

Council Member Land was opposed to moving the Finance Department twice. Based on the financial concerns of the City he favored leaving departments in their current locations until the new police building is constructed and the old public safety building has been remodeled. He preferred scenario six as an interim solution.

Mayor Pennino surmised that the number of customers going to the Finance Department would decrease over time with the use of Internet banking techniques, and consequently he did not believe parking would be an issue if Finance were located in City Hall.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:17 a.m.

ATTEST:

Susan J. Blackston
City Clerk

Mayor's & Council Member's Weekly Calendar

WEEK OF OCTOBER 15, 2002

Tuesday, October 15, 2002

- Reminder Shirtsleeve Session
 1. Office Space Needs (PW)
- 6:30 p.m. **Pennino.** Lodi Business and Professional Women's
 Organization Annual dinner, Richmaid Restaurant,
 100 South Cherokee Lane, Lodi. Mayor to present presentation.

Wednesday, October 16, 2002

- 8:00 a.m. Ambassadors Committee Meeting, Lodi Chamber of
 Commerce Conference room.
- 11:00 – 12:00 noon **Land.** Concilio's Lodi Coalition Meeting, Salem Methodist
 Church, 345 East Elm Street, Lodi. Keith Land will speak at
 11:10 – 11:35 a.m.
- 7:00 p.m. Regular Council Meeting
 (Closed Session at 6:15 p.m.)

Thursday, October 17, 2002

- 5:30 p.m. **Pennino and Land.** "Leaving and Coming Home" the
 Sandhill Crane dedication ceremony at the Lodi Multi-
 Modal Station, corner of Pine and Sacramento Streets,
 Downtown Lodi. Mayor Pennino will be speaking.

Friday, October 18, 2002

- 11:45 – 1:30 p.m. **Pennino, Howard, and Land.** State of the City Address and
 Luncheon, Hutchins Street Square ~ Crete Hall, Lodi.

Saturday, October 19, 2002

Sunday, October 20, 2002

Monday, October 21, 2002

- 9:00 a.m. **Land.** Lodi Unified School District Groundbreaking
 Ceremony for the New Elementary School in Southeast Lodi
 on Culbertson Street and Blue Way, Lodi.
- 6:30 p.m. San Joaquin Regional Rail Commission Groundbreaking,
 Southern Pacific Railroad, 949 East Channel Street,
 Downtown Stockton.

Disclaimer: This calendar contains only information that was provided to the City Clerk's office

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CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Office Space

MEETING DATE: October 15, 2002 (Shirtsleeve Session)

PREPARED BY: Public Works Director

RECOMMENDED ACTION: None

BACKGROUND INFORMATION: The Finance Department has been located in leased space in the City Hall Annex, 212 West Pine Street (The Beckman Building), for approximately eight years. The lease expired on August 31, 2002. The owners of the building, Beckman Investment Securities, have been working with the City on a new month-to-month rental arrangement

Given the issues surrounding air-borne PCE/TCE contamination relating to this facility, staff was directed by the City Council last Spring to develop alternatives for moving the Finance Department to other office space. This work has been done in conjunction with current planning studies for the remodel of the old Public Safety Building once the Police Department moves to their new building in early 2004.

The attached presentation handouts will be presented at the Shirtsleeve Session in more detail.

Staff will be seeking Council direction on what, if any, additional information will be needed to make a decision at one of the November Council meetings, in order to plan and implement moves by Spring 2003.

FUNDING: None at this time.

Richard C. Prima, Jr.
Public Works Director

RCP/DJC/pmf

Attachment

cc: Randy Hays, City Attorney
Vicky McAthie, Finance Director
Rad Bartlam, Community Development Director
Mike Pretz, Fire Chief
Gary Wiman, Construction Project Manager
Larry Wenell, WMB

Susan Blackston, City Clerk
Joanne Narloch, Human Resources Director
Jerry Adams, Police Chief
Steve Mann, Information Systems Manager
Dennis Callahan, Fleet and Facilities Manager

APPROVED: _____
H. Dixon Flynn -- City Manager

Civic Center Space Planning

Interim Relocations Pending Public Safety Building Remodel

City Council Shirtsleeve Presentation – October 15, 2002

Decisions/Assumptions to Date

- ☐ Council Directed that Finance Dept. vacate Annex by Spring 2003.
- ☐ New Police Bldg. to House Police Dept. in 2004
- ☐ Information Systems to occupy Carnegie Forum basement following Police move to new building (2004).
- ☐ Fire Station Administration, Station 1, Public Works and Community Development to occupy old PSB in 2005/06 following remodel.
- ☐ City Administration, Finance and Human Resources to occupy City Hall (2005/06).
- ☐ Police Bldg. includes 6,370 SF open space on second floor for lease; future Police use after 30+/- years.

City Hall Space Current Issues

- ☐ Inadequate space for current Community Development Dept. staff.
- ☐ Inadequate space for current Human Resources Dept. staff.
- ☐ Inadequate space for growth in other Departments.
- ☐ Goal to move full-time office staff from basement.

Other Constraints & Issues

- ☐ Parking – for both public and employees.
- ☐ Concern over vibration adjacent to RR tracks on AS/400 disk array (IS).
- ☐ Prefer to avoid moving computers twice (IS).
- ☐ Adjacency/interaction among City Depts.
- ☐ City has planned to use portion of old Saks Building for interim staff needs

Disclaimers !!

- ❑ Given the rough level of the planning for the scenarios, cost estimates are preliminary and need to be refined. However, they should be adequate for comparison purposes.
- ❑ Potential lease terms may also affect costs or feasibility of the scenarios.
- ❑ Space layouts are also preliminary and are done to enough detail only to determine feasibility. They will need to be refined as we work with the individual departments.
- ❑ Scenario numbers are for identification only, they do not indicate any suggested priority.

Interim Space Scenarios

- 1) Finance & HR to Parking Structure, IS to old Saks Building, CDD expands to HR area in City Hall.
- 2) Finance to Parking Structure, HR to mobile office, IS to old Saks Building, CDD expands to HR area.
- 3) CDD & Public Works to Parking Structure, IS to old Saks Building, Finance to City Hall, City Hall modifications to allow HR expansion.
- 4) CDD & Public Works to offsite mobile office, Finance & IS to City Hall, HR expansion per 3).
- 5) Finance to City Hall, CDD & Public Works Admin to Annex, HR expansion per 3).

Other Scenarios Not Developed

- ❑ Rent finished office space
 - Insufficient space Downtown
 - Costs would vary depending on location/state of building
 - Generally problematic for public/city staff
 - If Scenario 4) is preferred, we should reconsider this possibility
- ❑ Mobile offices within Civic Center
 - Severe parking impacts
 - Previously dismissed by City Council
- ❑ Lease space in Police Building
 - No parking improvement
 - Cost for TI's approximately \$390,000
 - Space identified for San Joaquin County
 - Space could accommodate Finance Dept. only

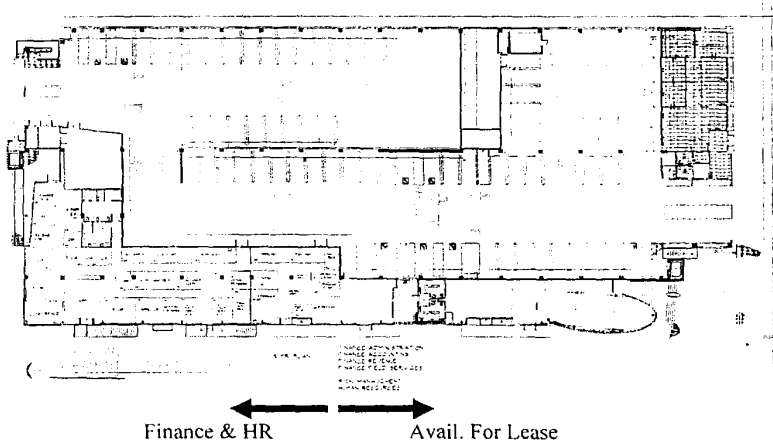
Scenario Details - 1) Fin. & HR to Parking Structure, IS to Saks Bldg.

- ❑ Saks Bldg. – currently leased for PCE/TCE Public Document archive. Lease would need to be extended.
- ❑ Small portion planned for some City staff.
- ❑ Unused storage space could be converted for IS with some additional walls, electrical & data line work.
- ❑ Costs include:
 - \$75,000 for tenant improvements
 - \$36,000 for lease (assumed 18 months)

Scenario Details - 1) Fin. & HR to Parking Str., IS to Saks Bldg. (cont'd)

- ❑ Parking Str. – planned for lease to private developer.
- ❑ Finance & HR would need 7,400 SF at north end (leaves 2,725 SF for lease).
- ❑ Helps solve Civic Center parking and loss of Annex parking lot on Oak.
- ❑ Costs include:
 - \$452,000 for tenant improvements
 - Slightly over half reusable by future developer

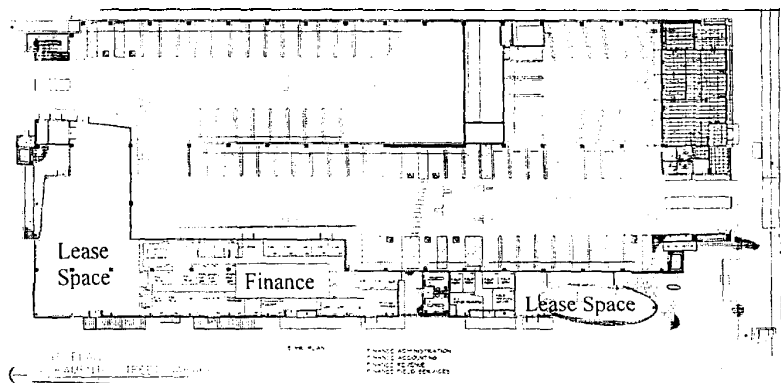
Scenario Details - 1) Fin. & HR to Parking Structure... (cont'd)



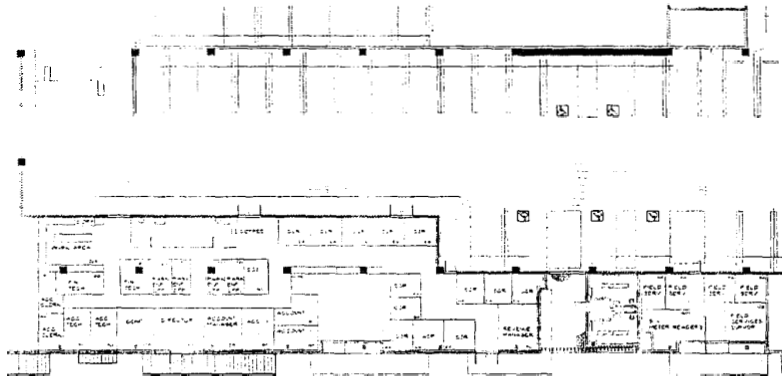
Scenario Details - 2) Fin. in Parking Str., HR in mobiles, IS in Saks Bldg.

- ❑ Leaves major restaurant space at north end available
- ❑ Helps solve Civic Center parking and loss of Annex parking lot on Oak.
- ❑ Costs include:
 - \$324,000 for tenant improvements
 - Slightly over half reusable by future developer
 - Mobile office costs approx. \$130,000
 - Assumed located in grass next to parking lot north of Carnegie Forum away from Vet's Fountain
 - Saks same as Scenario 1)

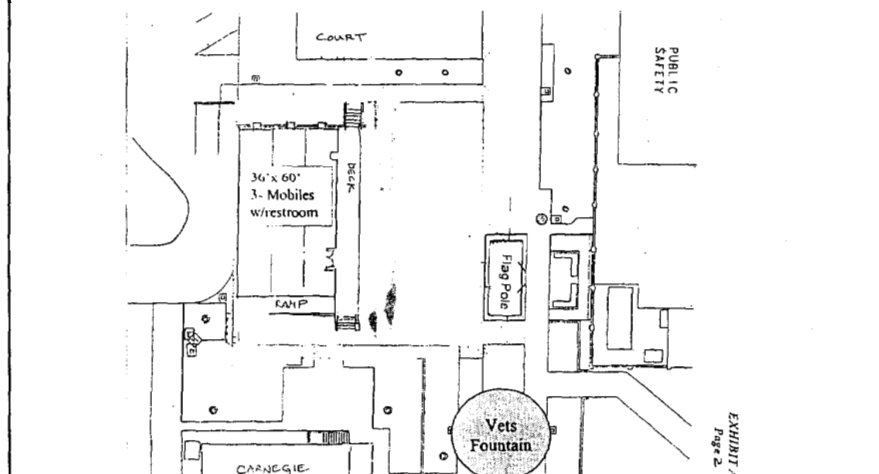
Scenario Details - 2) Finance to Parking Structure... (cont'd).



Scenario Details - 2) Finance to Parking Structure... (cont'd)



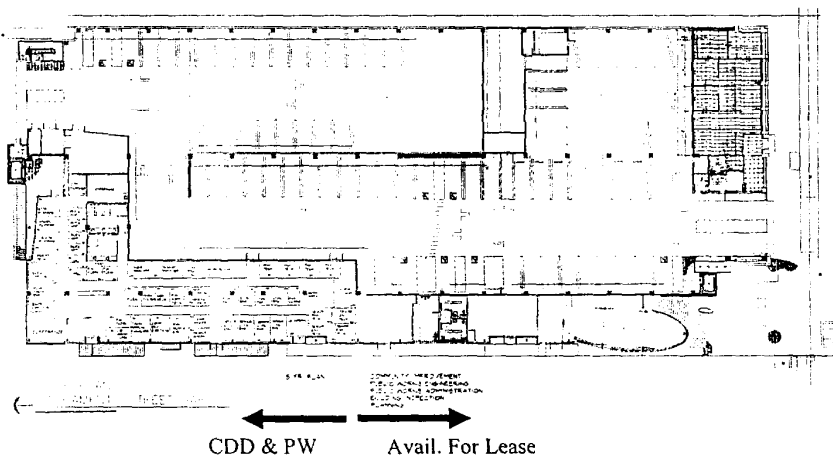
Scenario Details - 2) ...HR to Mobiles... (cont'd)



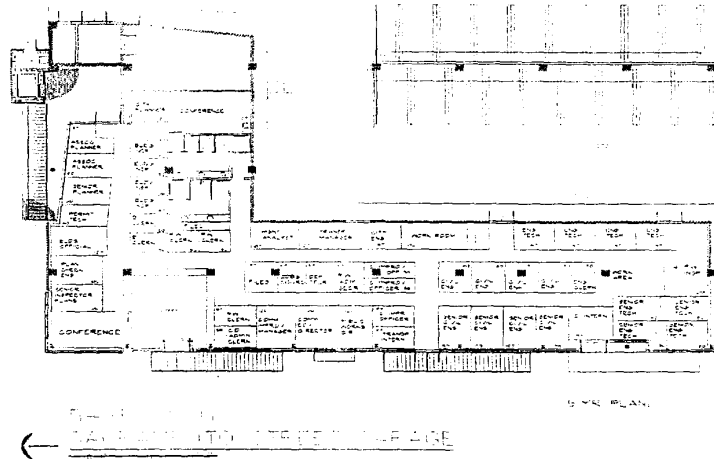
Scenario Details - 3) CDD & PW to Parking Str., Fin. to CH, IS to Saks.

- ❑ CDD & PW would need 8,000 SF at north end (leaves 2,725 SF for lease).
- ❑ Helps solve Civic Center parking and loss of Annex parking lot on Oak.
- ❑ Costs include:
 - \$467,000 for tenant improvements
 - Slightly over half reusable by future developer
 - Some work in City Hall, compatible with long-term plan
 - Saks same as Scenario 1)

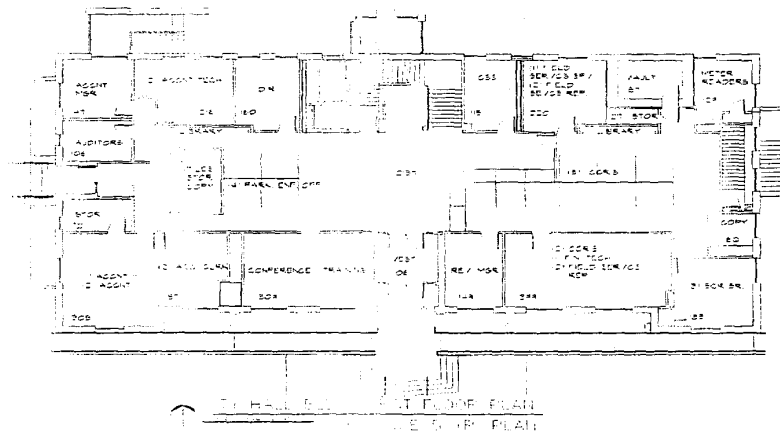
Scenario Details - 3) CDD & PW to Parking Structure....(cont'd)



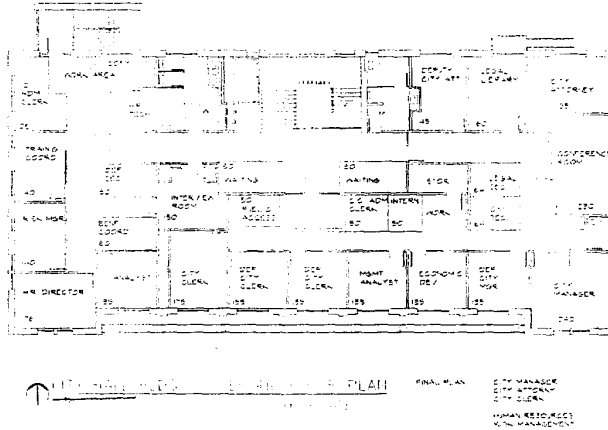
Scenario Details - 3) CDD & PW to Parking Structure... (cont'd)



Scenario Details - 3) ...Finance to City Hall (cont'd)



Scenario Details - 3) ...City Hall
Modifications for HR expansion.



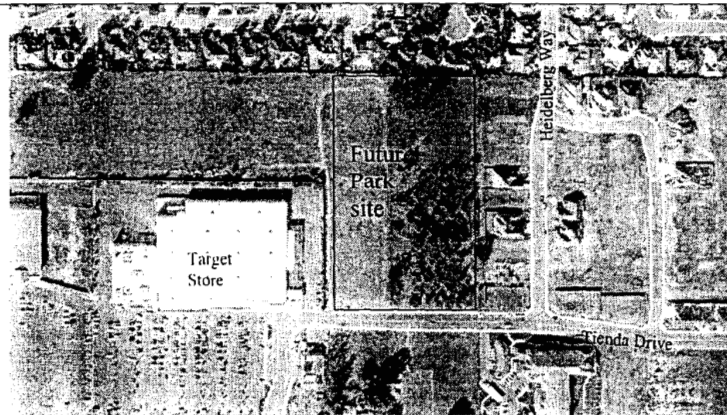
Scenario Details - 4) CDD & PW to mobiles, Finance/IS to City Hall

- ❑ Offsite City-owned locations include:
 - N. side Lockeford btwn. Stockton & Washington
 - Roget Park site
 - Hutchins Street Square
 - Guild Ave./Thurman St. property
- ❑ Cost is approximately \$400,000 and up depending on site work needed.
- ❑ Public convenience & other issues with moving outside Downtown

Potential Lockeford St. Site



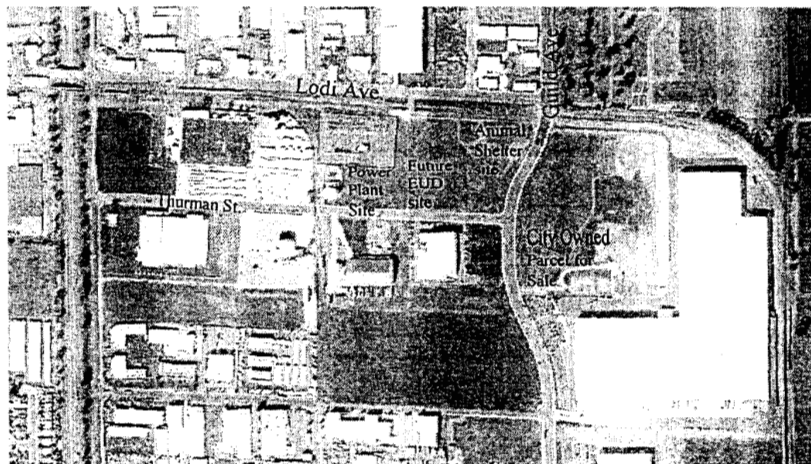
Potential Roget Park Site



Potential Hutchins St. Square Sites



Potential Industrial Site



Scenario Details - 5) CDD & PW

Admin to Annex, Finance to City Hall

- ☐ Minimal improvements needed in Annex
- ☐ Mostly puts Finance & HR in final places
- ☐ Some minor improvements in City Hall to accommodate HR & Finance similar to 3)
- ☐ PW Engineering to remain in City Hall basement until other space available
- ☐ Main cost is continued Annex rent (no current lease, on month-to-month basis)
- ☐ Parking as-is

Cost Summary

Civic Center Interim Space Needs Costs

Item	Scenario:				
	1) Finance & HR in Parking Structure, IS in old Saks Building.	2) Finance in Parking Structure, HR in mobile office, IS in old Saks Building.	3) CDD & Public Works in Parking Structure, IS in old Saks Building, Finance to City Hall	4) CDD & Public Works in offsite mobile office; Finance & IS to City Hall	5) CDD & Public Works Admin to Annex; IS stays in Annex, Finance to City Hall
Tenant Improvements					
Parking Structure (permanent)	\$255,000	\$146,000	\$266,000	\$0	\$0
Parking Structure (interim)	\$197,000	\$178,000	\$201,000	\$0	\$0
Saks Bldg (interim)	\$75,000	\$75,000	\$75,000	\$0	\$0
Mobile Office Lease (42 mos)	\$0	\$68,040	\$0	\$246,000	\$0
Saks Rent (18 mos)	\$36,000	\$36,000	\$36,000	\$0	\$0
Parking Structure "Rent"	\$20,000	\$20,000	\$20,000	\$0	\$0
City Hall Minor Modifications	\$0	\$0	\$108,000	\$128,000	\$108,000
Annex Rent (42 months)	\$0	\$0	\$0	\$0	\$281,000
Mobile Office site work, misc	\$0	\$62,000	\$0	\$110,000	\$0
Moving expenses incl. data (2002/03)	\$53,000	\$53,000	\$100,000	\$105,000	\$72,000
Total:	\$636,000	\$638,040	\$806,000	\$589,000	\$461,000
"Permanent" subtotal:	\$255,000	\$146,000	\$374,000	\$128,000	\$108,000
Net (total - permanent):	\$381,000	\$492,040	\$432,000	\$461,000	\$353,000
Increased cost over renting annex:	\$100,000	\$211,040	\$151,000	\$180,000	\$72,000

Notes:

(permanent) means expenses that would likely be recouped through future lease or use of City property that would otherwise need to be done

(interim) means expenses that would likely be retained by owner or redone by future tenant and of no long-term benefit to City

Parking Structure rent based on estimated lost income from potential lease to private developer

Does not include office systems furniture for any planned staff additions nor any parking improvements

Figures in italics very preliminary estimates still to be confirmed